

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF PLEASANT HILL WATER DISTRICT	)	
	)	
	)	CASE NO. 90-237
	)	
_____	)	
ALLEGED VIOLATIONS OF KRS CHAPTER 278	)	

O R D E R

Pleasant Hill Water District ("Pleasant Hill") is a non-profit, non-stock water district organized under KRS Chapter 74. Pleasant Hill distributes water to the public for compensation and is subject to the regulatory jurisdiction of this Commission pursuant to KRS 278.040 and 278.015.

On April 25, 1990, a periodic inspection was made of Pleasant Hill by the Commission's Division of Engineering. The findings of that inspection were reduced to a report, attached hereto and incorporated herein as Appendix A, and sent to the utility on May 1, 1990. No response was received from Pleasant Hill. A reminder letter was sent June 21, 1990. Pleasant Hill's response to the inspection report, attached hereto and incorporated herein as Appendix B, was received on July 9, 1990.

According to the inspection report, Pleasant Hill is charging and collecting a \$20 meter test charge and a \$15 service charge to its customers that have not been approved by or filed with this Commission. After reviewing Pleasant Hill's response to the

inspection report, the Commission's Division of Utility Engineering and Services by letter dated July 10, 1990, attached hereto and incorporated herein as Appendix C, informed Glen Neikirk, Chairman of Pleasant Hill, that specific cost justification forms are required to be filed with the Commission seeking approval of special charges pursuant to 807 KAR 5:006, Section 12. As of the date of this Order, cost justification forms have not been received by this Commission.

KRS 278.160 provides:

(1) [e]ach utility shall file with the commission, within such time and in such form as the commission designates, schedules showing all rates and conditions for service established by it and collected or enforced. . . .

(2) No utility shall charge, demand, collect or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules.

Pleasant Hill has failed to adhere to the provisions of KRS 278.160 in charging rates which do not appear in its tariff and which have not been approved by this Commission. Accordingly, the Commission finds that a prima facie showing has been made that Pleasant Hill has violated KRS 278.160 by charging unauthorized rates and Pleasant Hill should cease charging any and all rates not specifically approved by this Commission.

IT IS THEREFORE ORDERED that:

1. Pleasant Hill shall appear at a hearing scheduled September 24, 1990 at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane in

Frankfort, Kentucky, and be prepared to show cause why Pleasant Hill should not be penalized pursuant to KRS 278.990 for its failure to comply with KRS 278.160.

2. Pleasant Hill shall immediately cease charging any rates and special charges not specifically approved by this Commission.

3. Pleasant Hill shall submit a written response to all allegations contained herein within 20 days of the date of this Order.

4. Within 20 days of the date of this Order, Pleasant Hill shall file a schedule showing a monthly breakdown of miscellaneous service revenues collected for the last 5 years. The schedule shall list each and every unauthorized service charge collected and shall show each individual customer's name and address from whom each charge was collected.

Done at Frankfort, Kentucky, this 21st day of August, 1990.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

May 1, 1990

Mr. L. Glen Neikirk  
Chairman  
Pleasant Hill Water District  
P. O. Box 458  
Somerset, KY 42501

Dear Mr. Neikirk:

On April 25, 1990, a periodic inspection was made of Pleasant Hill Water District by K. Michael Newton, Utility Investigator with the Public Service Commission. The comments on this inspection have been condensed into a report, which is being sent herewith in the interest of obtaining your response. We would appreciate receiving your response to this report no later than June 4, 1990.

Please feel free to call Mr. Newton at (502) 564-2133 for any clarification you may need on this matter.

Sincerely,

A handwritten signature in cursive script, reading "Eddie B. Smith", is positioned above the typed name and title.

Eddie B. Smith, Manager  
Water & Sewer Branch  
Division of Utility Engineering  
& Services

EBS:KMN:aem  
Attachment

**Commonwealth of Kentucky  
Public Service Commission**

**UTILITY INSPECTION REPORT**

**Pleasant Hill Water District  
Somerset, Kentucky**

Utility operations, utility maintenance, utility management and their effect on utility services are a primary concern of the Commission and this Division. Our ongoing inspection program is an expression of this concern. During each inspection, I am stressing: (1) the importance of periodic testing of customers' meters, (2) the importance of accounting for all water purchased and/or produced, (3) the need for surveillance of system operations and (4) the significance of good operating records.

The subject inspection was made April 25, 1990. The utility consists of a distribution system operating in Pulaski County, Kentucky. It has approximately 1,150 customers on its system. The utility representative providing information and assistance during this inspection was Morris Vaughn, manager of the District.

The District's facility operations and its office procedures were reviewed for compliance with the Kentucky Revised Statutes (KRS 278) and the Public Service Commission Regulations (807 KAR).

The following deficiencies were noted:

1. The utility has adopted a safety program, however this program does not provide for instruction of its employees in accepted methods of artificial resuscitation in accordance with 807 KAR 5:006, Section 22(3).

2. The utility submitted a safety program and an inspection procedure to the Public Service Commission, on November 2, 1987. These programs were reviewed and found to be incomplete. On January 7, 1988, the Commission staff informed Pleasant Hill by letter of the deficiencies of these two programs. As of the date of this report Pleasant Hill has not corrected these deficiencies. Therefore the utility is not in compliance with 807 KAR 5:006, Sections 22 and 23.
3. The utility is performing pressure surveys; however, this survey is not keeping the pressure gauge in continuous service at same representative point on the utility's mains as required by Section 6(2) of 807 KAR 5:066.
4. The utility is charging "special charges" (\$20 meter test and \$15 service charge) to customers for services. These special charges are not on file with the Commission as required by 807 KAR 5:006, Section 12.

#### Recommendations

A written response should be prepared and forwarded to the Public Service Commission within 30 days of the date of receipt of this report. This response should say what has been done or what will be done to correct each noted deficiency. A starting date and a completion date should be given for actions that are to be accomplished after the date the response is mailed.

Submitted,  
May 1, 1990

*K. Michael Newton* /aem  
K. Michael Newton  
Utility Investigator  
ch

**RECEIVED**

JUL 01 1990

DIVISION OF UTILITY  
ENGINEERING & SERVICES

May 22, 1990

K. Micheal Newton  
Utility Investigator  
Public Service Commission

RE: Utility Inspection Report May 1, 1990

Dear Mr. Newton:

Deficiency No. 1 The district has applied to attend the Somerset Rescue Squad program of instruction.

Deficiency No. 2 It is our understanding that this was corrected when Mr. Morris Vaughn talked to Mr. Micheal Newton on his recent inspection of the system.

Deficiency No. 3 We have one pressure recorder which we use to monitor pressure 24 hours 2 times a year on each separate system.

Deficiency No. 4 The only time we charge to test a meter is by request of the customer. If the meter is faulty we replace at no charge. If the meter is not faulty we charge \$25.00. We charge \$20.00 for service calls. We charge \$5.00 for testing.

Submitted,  
May 22, 1990

  
\_\_\_\_\_  
Glen Neikirk, Chairman



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

July 10, 1990

Mr. L. Glen Neikirk  
Chairman  
Pleasant Hill Water District  
P. O. Box 458  
Somerset, KY 42501

Dear Mr. Neikirk:

The Public Service Commission is in receipt of your reply to the May 1, 1990 inspection report. We concur with Item 1; however, we need further clarification on Items 2, 3 and 4. Our comments are listed below:

Item 2 - As of this date Pleasant Hill's safety program and inspection procedures are incomplete. A copy of Pleasant Hill's amendments to its safety program and inspection procedures should be mailed to the Commission staff for review prior to these documents being approved. A copy of the Commission's last correspondence regarding this matter is attached for your review.

Item 3 - Pleasant Hill is required to keep a recording pressure gauge in continuous service at some representative point on the utility's mains. Pleasant Hill's response to monitor pressure 24 hours 2 times a year on each separate system does not meet the requirements of 807 KAR 5:066, Section 6(2).

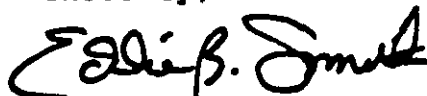
Item 4 - Pleasant Hill charges \$25.00 (\$20.00 service call and \$5.00 meter testing) to test a meter. Pleasant Hill has not sent to the Public Service Commission a specific cost justification for this charge as required by 807 KAR 5:006, Section 12. Pleasant Hill is not allowed to charge its customers for a meter test until a cost justification form and the appropriate tariff forms are filed with the Public Service Commission.



Mr. L. Glen Neikirk  
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July 10, 1990

We look forward to the receipt of your response within 30 days of this letter, however in no case should it be received later than August 10, 1990. Should you have any questions or comments, please feel free to call K. Michael Newton at (502) 564-2133.

Sincerely,

A handwritten signature in black ink, appearing to read "Eddie B. Smith". The signature is fluid and cursive, with the first name "Eddie" being more prominent.

Eddie B. Smith, Manager  
Water & Sewer Branch  
Division of Utility Engineering  
& Services

EBS:KMN:aem

Enclosure